

Senate File 530 is therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of Section 6, subsection 7 and the designated portion of Section 6, subsection 9. Both of these items require the Department of Corrections to re-create requested data back to 1999. The ability to manually collect the required data, given the cutbacks to the correctional system is very limited and would produce a report of marginal value. I have instructed the Department of Corrections to continue to make best efforts to respond to individual cases as needed.

I am unable to approve the items designated as Sections 18, 19, and 20 in their entirety. These sections involve the reimbursement of temporarily confining a person in a county facility for violations regarding OWI, prison work release, and parole. The proposed language, which intends to require the exclusion of administrative costs, would be a good start at addressing the specific costs to be included in the daily cost reimbursement. However, the proposed language is vague and the United States marshal's service cost sheet does not provide any definition of administrative support personnel costs. This provision may even markedly increase county confinement costs. The Department of Corrections has offered both a proposed bill and alternative clarifying language for consideration that involves paying a proportional share of daily direct security supervision costs. I have directed the Department of Corrections to negotiate further an acceptable daily reimbursement rate with each county.

For the above reasons, I hereby respectfully approve Senate File 530, with the exceptions noted above.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 187

APPROPRIATIONS — ADMINISTRATION AND REGULATION

S.F. 531

AN ACT relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. AUDITOR OF STATE. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,211,514
.....	FTEs	116.68

The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursu-

ant to section 11.20 or 11.21, to perform audits which are requested by and reimbursable from the federal government, and to perform work requested by and reimbursable from departments or agencies pursuant to section 11.5A or 11.5B. The auditor of state shall notify the department of management, the legislative fiscal committee, and the legislative fiscal bureau of the additional full-time equivalent positions retained.

Sec. 2. IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD. There is appropriated from the general fund of the state to the Iowa ethics and campaign disclosure board for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	427,869
.....	FTEs	8.00

Sec. 3. DEPARTMENT OF COMMERCE. There is appropriated from the general fund of the state to the department of commerce for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,137,329
.....	FTEs	17.50

The administrative services division shall assess each division within the department of commerce and the office of consumer advocate within the department of justice a pro rata share of the operating expenses of the administrative services division. The pro rata share shall be determined pursuant to a cost allocation plan established by the administrative services division and agreed to by the administrators of the divisions and the consumer advocate. To the extent practicable, the cost allocation plan shall be based on the proportion of the administrative expenses incurred on behalf of each division and the office of consumer advocate. Each division and the office of consumer advocate shall include in its charges assessed or revenues generated, an amount sufficient to cover the amount stated in its appropriation, any state-assessed indirect costs determined by the department of revenue and finance, and the cost of services provided by the administrative services division. It is the intent of the general assembly that the director of the department of commerce shall review on a quarterly basis all out-of-state travel for the previous quarter for officers and employees of each division of the department if the travel is not already authorized by the executive council.

2. ALCOHOLIC BEVERAGES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,513,454
.....	FTEs	24.00

3. BANKING DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	5,988,784
.....	FTEs	78.00

4. CREDIT UNION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,228,248
.....	FTEs	19.00

5. INSURANCE DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,874,539
.....	FTEs	93.50

b. The insurance division may reallocate authorized full-time equivalent positions as necessary to respond to accreditation recommendations or requirements. The insurance division expenditures for examination purposes may exceed the projected receipts, refunds, and reimbursements, estimated pursuant to section 505.7, subsection 7, including the expenditures for retention of additional personnel, if the expenditures are fully reimbursable and the division first does both of the following:

(1) Notify the department of management, the legislative fiscal bureau, and the legislative fiscal committee of the need for the expenditures.

(2) File with each of the entities named in subparagraph (1) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

6. PROFESSIONAL LICENSING AND REGULATION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	818,311
.....	FTEs	11.00

7. UTILITIES DIVISION

a. For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	6,034,571
.....	FTEs	75.00

b. The utilities division may expend additional funds, including funds for additional personnel, if those additional expenditures are actual expenses which exceed the funds budgeted for utility regulation and the expenditures are fully reimbursable. Before the division expends or encumbers an amount in excess of the funds budgeted for regulation, the division shall first do both of the following:

(1) Notify the department of management, the legislative fiscal bureau, and the legislative fiscal committee of the need for the expenditures.

(2) File with each of the entities named in subparagraph (1) the legislative and regulatory justification for the expenditures, along with an estimate of the expenditures.

Sec. 4. DEPARTMENT OF COMMERCE — PROFESSIONAL LICENSING AND REGULATION. There is appropriated from the housing improvement fund of the Iowa department of economic development to the division of professional licensing and regulation of the department of commerce for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:

.....	\$	62,317
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Sec. 5. DEPARTMENT OF COMMERCE — PROFESSIONAL LICENSING AND REGULATION — LICENSE FEE REFUND.

1. As used in this section, "department of commerce, professional licensing boards" means the boards or commissions for the engineers and land surveyors under chapter 542B, accountants under chapter 542C, real estate brokers and salespersons under chapter 543B, real estate appraisers under 543D, architects under chapter 544A, and landscape architects under chapter 544B.

2. Notwithstanding the obligation to collect fees pursuant to the provisions of sections 542B.12, 542C.15, 543B.14, 543D.6, 544A.11, and 544B.14, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the professional licensing and regulation division may

refund all or a portion of these fees to the filer pursuant to rules established by the department of commerce, professional licensing boards. The decision of the division not to issue a refund under rules established by the department of commerce, professional licensing boards is final and not subject to review pursuant to the provisions of the Iowa administrative procedure Act.

Sec. 6. DEPARTMENT OF GENERAL SERVICES. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,702,834
.....	FTEs	45.85

2. TERRACE HILL OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes necessary for the operation of Terrace Hill and for not more than the following full-time equivalent positions:

.....	\$	259,129
.....	FTEs	5.00

3. PROPERTY MANAGEMENT

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,010,028
.....	FTEs	114.00

4. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government as provided in section 18.12, subsection 9, notwithstanding section 18.16:

.....	\$	1,028,898
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5. UTILITY COSTS

For payment of utility costs:

.....	\$	2,207,926
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Notwithstanding sections 8.33 and 18.12, subsection 11, any excess funds appropriated for utility costs in this subsection shall not revert to the general fund of the state at the end of the fiscal year but shall remain available for expenditure for the purposes of this subsection during the fiscal year beginning July 1, 2002.

Sec. 7. REVOLVING FUNDS. There is appropriated from the designated revolving funds to the department of general services for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. CENTRALIZED PURCHASING

From the centralized purchasing permanent revolving fund established by section 18.9 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,059,022
.....	FTEs	17.95

2. CENTRALIZED PURCHASING — REMAINDER

The remainder of the centralized purchasing permanent revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 2001, and ending June 30, 2002, which are legally payable from this fund.

3. STATE FLEET ADMINISTRATOR

From the state fleet administrator revolving fund established by section 18.119 for sala-

ries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	847,776
.....	FTEs	16.75

4. STATE FLEET ADMINISTRATOR — REMAINDER

The remainder of the state fleet administrator revolving fund is appropriated for the purchase of ethanol blended fuels and other fuels specified in section 18.115, subsection 5, oil, tires, repairs, and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning July 1, 2001, and ending June 30, 2002, which are legally payable from this fund.

5. CENTRALIZED PRINTING

From the centralized printing permanent revolving fund established by section 18.57 for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,098,927
.....	FTEs	27.30

6. CENTRALIZED PRINTING — REMAINDER

The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 2001, and ending June 30, 2002, which are legally payable from this fund.

Sec. 8. GOVERNOR AND LIEUTENANT GOVERNOR. There is appropriated from the general fund of the state to the offices of the governor and the lieutenant governor for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

For salaries, support, maintenance, and miscellaneous purposes for the general office of the governor and the general office of the lieutenant governor, and for not more than the following full-time equivalent positions:

.....	\$	1,418,735
.....	FTEs	17.25

2. TERRACE HILL QUARTERS

For salaries, support, maintenance, and miscellaneous purposes for the governor’s quarters at Terrace Hill, and for not more than the following full-time equivalent positions:

.....	\$	110,455
.....	FTEs	3.00

3. ADMINISTRATIVE RULES COORDINATOR

For salaries, support, maintenance, and miscellaneous purposes for the office of administrative rules coordinator, and for not more than the following full-time equivalent positions:

.....	\$	143,117
.....	FTEs	3.00

4. NATIONAL GOVERNORS ASSOCIATION

For payment of Iowa’s membership in the national governors association:

.....	\$	70,030
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5. STATE-FEDERAL RELATIONS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	279,576
.....	FTEs	3.00

Sec. 9. DEPARTMENT OF INSPECTIONS AND APPEALS. There is appropriated from the general fund of the state to the department of inspections and appeals for the fiscal year

beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. ADMINISTRATION DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	573,427
.....	FTEs	21.00

2. AUDITS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	480,567
.....	FTEs	12.00

3. APPEALS AND FAIR HEARINGS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	514,668
.....	FTEs	30.00

4. INVESTIGATIONS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,054,636
.....	FTEs	40.00

5. HEALTH FACILITIES DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,473,611
.....	FTEs	108.00

6. INSPECTIONS DIVISION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	877,970
.....	FTEs	15.00

7. EMPLOYMENT APPEAL BOARD

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	35,091
.....	FTEs	15.00

The employment appeal board shall be reimbursed by the labor services division of the department of workforce development for all costs associated with hearings conducted under chapter 91C, related to contractor registration. The board may expend, in addition to the amount appropriated under this subsection, additional amounts as are directly billable to the labor services division under this subsection and to retain the additional full-time equivalent positions as needed to conduct hearings required pursuant to chapter 91C.

8. STATE FOSTER CARE REVIEW BOARD

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	799,362
.....	FTEs	19.00

The department of human services, in coordination with the state foster care review board and the department of inspections and appeals, shall submit an application for funding available pursuant to Title IV-E of the federal Social Security Act for claims for state foster care review board administrative review costs.

Sec. 10. RACETRACK REGULATION. There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for the regulation of pari-mutuel racetracks, and for not more than the following full-time equivalent positions:
..... \$ 2,145,812
..... FTEs 25.38

Of the funds appropriated in this section, \$85,576 shall be used to conduct an extended harness racing season.

Sec. 11. EXCURSION BOAT REGULATION. There is appropriated from the general fund of the state to the racing and gaming commission of the department of inspections and appeals for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the excursion boat gambling laws, and for not more than the following full-time equivalent positions:
..... \$ 1,628,440
..... FTEs 30.37

Sec. 12. USE TAX APPROPRIATION. There is appropriated from the use tax receipts collected pursuant to sections 423.7 and 423.7A prior to their deposit in the road use tax fund pursuant to section 423.24, to the appeals and fair hearings division of the department of inspections and appeals for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:
..... \$ 1,150,421

Sec. 13. DEPARTMENT OF MANAGEMENT. There is appropriated from the general fund of the state to the department of management for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 2,260,531
..... FTEs 32.00

2. STATEWIDE PROPERTY TAX ADMINISTRATION

For salaries, support, and miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 90,078
..... FTEs 1.00

Sec. 14. ROAD USE TAX APPROPRIATION. There is appropriated from the road use tax fund to the department of management for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes:
..... \$ 56,000

Sec. 15. DEPARTMENT OF PERSONNEL. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 2001, and

ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, including the filing of quarterly reports as required in this section:

1. ADMINISTRATION AND PROGRAM OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes for the director’s staff, research, communications and workforce planning services, data processing, and financial services, and for not more than the following full-time equivalent positions:

.....	\$	1,591,023
.....	FTEs	31.00

2. CUSTOMER SERVICE AND BENEFITS MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes for customer information and support services, employment law and labor relations, training and benefit programs, and for not more than the following full-time equivalent positions:

.....	\$	2,462,930
.....	FTEs	60.51

Any funds received by the department for workers’ compensation purposes shall be used only for the payment of workers’ compensation claims and administrative costs.

It is the intent of the general assembly that members of the general assembly serving as members of the deferred compensation advisory board shall be entitled to receive per diem and necessary travel and actual expenses pursuant to section 2.10, subsection 5, while carrying out their official duties as members of the board.

Sec. 16. READY TO WORK PROGRAM COORDINATOR. There is appropriated from the surplus funds in the long-term disability reserve fund and the workers’ compensation trust fund to the department of personnel for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the salary, support, and miscellaneous expenses for the ready to work program and coordinator:

.....	\$	89,416
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The moneys appropriated pursuant to this section shall be taken in equal proportions from the long-term disability reserve fund and the workers’ compensation trust fund.

Sec. 17. IPERS. There is appropriated from the Iowa public employees’ retirement system fund to the department of personnel for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. GENERAL OFFICE

For salaries, support, maintenance, and other operational purposes to pay the costs of the Iowa public employees’ retirement system division and for not more than the following full-time positions:

.....	\$	7,998,070
.....	FTEs	88.04

2. INVESTMENT PROGRAM STAFFING

It is the intent of the general assembly that the Iowa public employees’ retirement system division employ sufficient staff within the appropriation provided in this section to meet the developing requirements of the investment program.

Sec. 18. PRIMARY ROAD FUND APPROPRIATION. There is appropriated from the primary road fund to the department of personnel for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes to provide personnel services for the state department of transportation:

.....	\$	410,100
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Sec. 19. ROAD USE TAX FUND APPROPRIATION. There is appropriated from the road use tax fund to the department of personnel for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes to provide personnel services for the state department of transportation:

..... \$ 66,760

Sec. 20. STATE WORKERS' COMPENSATION CLAIMS. There is appropriated from the general fund of the state to the department of personnel for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For distribution, subject to approval of the department of management, to various state departments to fund the premiums for paying workers' compensation claims which are assessed to and collected from the state department by the department of personnel based upon a rating formula established by the department of personnel:

..... \$ 500,000

Notwithstanding section 8.39, subsections 1, 3, and 4, the department of management may allocate the premium appropriated in this section to the appropriate offices, divisions, or subdivisions within each state department as necessary to pay workers' compensation premiums as recommended by the department of personnel.

The premiums collected by the department of personnel shall be segregated into a separate workers' compensation fund in the state treasury to be used for payment of state employees' workers' compensation claims. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in this workers' compensation fund at the end of the fiscal year shall not revert but shall be available for expenditure for purposes of the fund for subsequent fiscal years.

Any funds received by the department of personnel for workers' compensation purposes other than funds appropriated in this section shall be used for the payment of workers' compensation claims and administrative costs.

Sec. 21. DEPARTMENT OF REVENUE AND FINANCE. There is appropriated from the general fund of the state to the department of revenue and finance for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated, and for not more than the following full-time equivalent positions used for the purposes designated in subsections 1 through 3:

..... FTEs 500.60

1. COMPLIANCE

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 10,525,794

Of the funds appropriated pursuant to this subsection, \$151,108 shall be used to pay the direct costs of compliance related to the collection and distribution of local sales and services taxes imposed pursuant to chapters 422B and 422E.

2. STATE FINANCIAL MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 10,837,208

Of the funds appropriated pursuant to this subsection, \$188,085 shall be used to pay the direct costs of state financial management related to the collection and distribution of local sales and services taxes imposed pursuant to chapters 422B and 422E.

3. INTERNAL RESOURCES MANAGEMENT

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 5,885,941

Of the funds appropriated pursuant to this subsection, \$60,807 shall be used to pay the direct costs of internal resources management related to the collection and distribution of local sales and services taxes imposed pursuant to chapters 422B and 422E.

4. COLLECTION COSTS AND FEES

For payment of collection costs and fees pursuant to section 422.26:
 \$ 55,610

5. STATEWIDE PROPERTY TAX ADMINISTRATION

For salaries, support, and miscellaneous purposes:
 \$ 62,250

The director of revenue and finance shall prepare and issue a state appraisal manual and the revisions to the state appraisal manual as provided in section 421.17, subsection 18, without cost to a city or county.

Sec. 22. LOTTERY. There is appropriated from the lottery fund to the department of revenue and finance for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes for the administration and operation of lottery games, and for not more than the following full-time equivalent positions:

..... \$ 8,443,058
 FTEs 117.00

Sec. 23. MOTOR VEHICLE FUEL TAX APPROPRIATION. There is appropriated from the motor fuel tax fund created by section 452A.77 to the department of revenue and finance for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes for administration and enforcement of the provisions of chapter 452A and the motor vehicle use tax program:

..... \$ 1,017,849

Sec. 24. SECRETARY OF STATE. There is appropriated from the general fund of the state to the office of the secretary of state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATION AND ELECTIONS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 755,234
 FTEs 10.00

It is the intent of the general assembly that the state department or state agency which provides data processing services to support voter registration file maintenance and storage shall provide those services without charge.

Of the moneys appropriated in this subsection, not more than \$2,500 shall be used to pay the expenses of the Marshall county deputy auditor to serve on a task force for elections reform for the elections center. The Marshall county deputy auditor shall show proof of expense incurred to the secretary of state to receive reimbursement.

2. BUSINESS SERVICES

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,532,728
 FTEs 32.00

3. DECENNIAL REDISTRICTING

For costs associated with decennial redistricting:
 \$ 25,000

Sec. 25. Notwithstanding the requirement in section 9.6, that the secretary of state publish in odd-numbered years the Iowa official register, the secretary of state shall not

* Item veto; see message at end of the Act

publish the Iowa official register in the 2001 calendar year. Any references in the Code to the distribution and contents of the Iowa official register shall not apply to the 2001 and 2002 calendar years.

Sec. 26. SECRETARY OF STATE FILING FEES REFUND. Notwithstanding the obligation to collect fees pursuant to the provisions of section 490.122, subsection 1, paragraphs "a" and "s" and section 504A.85, subsections 1 and 9, for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the secretary of state may refund these fees to the filer pursuant to rules established by the secretary of state. The decision of the secretary of state not to issue a refund under rules established by the secretary of state is final and not subject to review pursuant to the provisions of the Iowa administrative procedure Act.

Sec. 27. TREASURER. There is appropriated from the general fund of the state to the office of treasurer of state for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	865,580
.....	FTEs	25.80

The office of treasurer of state shall supply clerical and secretarial support for the executive council.

Sec. 28. 2001 Iowa Acts, House File 413,¹ section 2, if enacted, is amended to read as follows:

SEC. 2. SURPLUS FUNDS TRANSFERRED TO THE ENDOWMENT FOR IOWA'S HEALTH ACCOUNT.

1. Notwithstanding section 8.55, subsection 2, any moneys in excess of the maximum balance in the economic emergency fund after the distribution of the surplus in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2000, shall not be transferred to the general fund of the state but shall be transferred to the endowment for Iowa's health account of the tobacco settlement trust fund. The amount transferred under this subsection shall not exceed forty million dollars. in the following order as follows:

a. The first one hundred sixty-three million eight hundred thousand dollars to the general fund of the state.

b. The next forty million dollars to the endowment for Iowa's health account of the tobacco settlement trust fund.

c. The remaining amount to the general fund of the state.

2. Notwithstanding section 8.55, subsection 2, any moneys in excess of the maximum balance in the economic emergency fund after the distribution of the surplus in the general fund of the state at the conclusion of the fiscal year beginning July 1, 2001, shall not be transferred to the general fund of the state but shall be transferred to the endowment for Iowa's health account of the tobacco settlement trust fund. The amount transferred under this subsection shall not exceed the difference between forty million dollars and the amount transferred to the endowment for Iowa's health account pursuant to subsection 1.

3. This section is contingent upon the establishment of the endowment for Iowa's health account of the tobacco settlement trust fund by 2001 Iowa Acts, Senate File 532,² if enacted.

Approved May 30, 2001, with exception noted.

THOMAS J. VILSACK, Governor

¹ Chapter 177 herein

² Chapter 164 herein

Dear Mr. Secretary:

I hereby transmit Senate File 531, an Act relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters.

Basic to any successful organization are core functions that allow the organization to operate smoothly and efficiently. Iowa citizens expect their taxes to be accurately calculated and refunds issued in a timely fashion, businesses expect corporate filings and liens to be processed, visitors expect the Capitol and other state facilities to be safe and properly maintained, citizens expect that they can do business with their government in a way that is convenient to them, and taxpayers expect that their tax dollars are being used legally and properly.

These are all legitimate expectations, and I am troubled that the Legislature's intentional underfunding of the core services of state government is threatening its ability to respond to its citizen customers. No successful business would cut budgets that support its core customers. That, however, will be the outcome from the unwise cuts contained in this budget bill.

There are many examples of the impact of this decision. For example, there will be fewer employees to process state income tax refunds and answer taxpayers' questions, fewer opportunities for departments to provide services on-line, less maintenance of state buildings and facilities, inability to timely maintain the statewide voter registration system increasing the risk for voter error and fraud, and slower processing of business filings potentially impacting the formation of new businesses in our State. These shortsighted cuts produce long term impacts and inefficiencies.

I am even more troubled by the lack of sound financial practice contained within this bill. The Legislature did not provide the resources necessary to carry out even the most fundamental functions, and as a result, they have passed a budget riddled with bad budget practices. These unwise choices will cost the state more money in the future — rather than making cuts, the Legislature has only set the state up for greater expense next year and following years.

For example, my budget provided \$1.8 million to clean up a federal claim against the State for overbilling of technology services that dates back to the Branstad administration. By not resolving this issue, we risk having additional penalties and interest charged to the state by the federal government. The Legislature provided no funds to fix this problem. My budget provided \$1.7 million to ensure adequate funding for worker's compensation claims, but the Legislature provided just \$500,000 for this; it is likely that this fund will literally run out of money as a result — meaning that the State cannot pay its legal obligations. Likewise, the Legislature underfunded the appropriation to the Department of General Services to pay for contracted rental space — another case where the Legislature refuses to accept reality and make the funds available to pay the State's contractual obligations.

These budget gimmicks are nothing more than a charade that passes off the tough budget decisions to somebody else. The Legislature has claimed that its deeper budget cuts were necessary to "solve" the budget problems now, but in reality, the above listed "cuts" are illusory and simply pass on the problem — in some cases with additional costs as well.

For these reasons I reluctantly approve Senate File 531 on this date with the following exception, which I hereby disapprove.

I am unable to approve Section 24, subsection 1, unnumbered paragraph 3 in its entirety.

This proposed language places the responsibility of paying county expenses in the budget of the Secretary of State without adding any additional funding. The Marshall county auditor's office chose to participate in the elections reform task force with the knowledge that the State would not be able to assume the costs of their participation. If the Legislature believed this to be a wise expenditure of funds they should have created a specific appropriation for this purpose rather than forcing the Secretary of State to direct limited funds away from other purposes such as statewide election activities.

For the above reason, I hereby respectfully approve Senate File 531 with the exception noted above.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 188
APPROPRIATIONS — ECONOMIC DEVELOPMENT
H.F. 718

AN ACT appropriating funds to the department of economic development, certain board of regents institutions, the department of workforce development, and the public employment relations board, making related statutory changes, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 2001, and ending June 30, 2002, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

- 1. ADMINISTRATIVE SERVICES DIVISION
 - a. General administration

For salaries, support, maintenance, miscellaneous purposes, for allocating \$285,000 to the world food prize, and for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants who are qualified for the jobs created, and for not more than the following full-time equivalent positions:

.....	\$	1,699,126
.....	FTEs	25.75

Of the moneys allocated for the world food prize, \$50,000 shall be allocated for purposes of the world food prize youth institute.

- b. Film office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	245,003
.....	FTEs	2.00

- c. Iowa commission on volunteerism

For transferring to the Iowa state commission grant program to be used as matching